

gone on under the Federal Labor Standards Act, that has been eliminated.

There is something else that the women of the country who are concerned about equal pay for equal work ought to understand. In the legislation under the Enzi amendment, because of the fact that you raise the exemption for companies that will be covered from \$500,000 to \$1 million, and because you eliminate the Federal Labor Standards Act protection for those who are involved in interstate commerce—that is all spelled out on page 13—that means 10 million workers will not have the protections of the minimum wage or the Federal Labor Standards Act, which means that the equal pay for equal work protections that are there for 4 to 5 million women will not be there.

Does America understand the difficulty we have had in this Chamber trying to get equal pay for equal work, let alone equal pay for comparable work? We have been able to get it under the Fair Labor Standards Act, and that is being eliminated for 4 to 5 million women.

Mr. DODD. Mr. President, will my colleague yield on that point?

Mr. KENNEDY. Yes.

Mr. DODD. The Senator has spent a lot of time on this issue over the years. We have modified the Fair Labor Standards Act several times over the last 40 years. In each of those cases, as I recall, we modified the law to expand the number of people who would be covered by the minimum wage and the overtime pay and equal pay for equal work. This would be the first time, as I understand it, that we would be taking the opposite direction; the very first time that we are going to shrink the number of people who would have the right to overtime pay, thus, excluding some 10 million people who would otherwise be covered by the minimum wage.

Am I correct?

Mr. KENNEDY. The Senator is absolutely correct.

For those who are even thinking about voting for the Enzi proposal, you are eliminating the protections, and you are getting the serious cutbacks. That is why the \$1.10 increase would impact 1.8 million. Ours would be 6.6 million directly and 8 million on top of that.

The Senator makes a very good point.

This is not a base increase for the minimum wage.

This would be gutting the minimum wage protections for millions of Americans.

That is a fine "how do you do."

Mr. DODD. Every time we have modified the Fair Labor Standards Act, we were expanding the opportunity for workers. I believe this would be the first time in the history of our country that we actually go in the opposite direction. Those in poverty would be excluded from getting the overtime pay

and protections for equal pay for equal work.

Mr. KENNEDY. The Senator stated it correctly. We are having a discussion and debate about the fact that we haven't increased the minimum wage in 9 years.

As the Senator pointed out and as I have pointed out, we have had this explosion of poverty with children, an explosion of poverty with minimum wage workers, and an explosion of hunger. What we do have as an alternative is an increase in reduction of protection, unlike the historical debate for an increase in the minimum wage.

Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. There is 9 minutes 15 seconds.

Mr. KENNEDY. I yield 4 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I thank the distinguished Senator from Massachusetts and my colleague, the able Senator from Connecticut.

Mr. President, this is an extremely important issue before us. The last time the minimum wage was raised was in September of 1997. If we fail to increase the minimum wage before the end of the year, we will have gone the longest time without adjusting it since it was first enacted in 1938. That is a dismal performance on the part of the Congress.

Since 1997, inflation has drastically reduced the purchasing power of the minimum wage. It is now the lowest it has been in more than 40 years. To match the last increase, in terms of purchasing power, the minimum wage would have to be increased 25 percent above what it is now. And as we fail to act, the purchasing power of the current minimum wage continues to be eroded by the steady march of inflation—contributing to two serious problems in our society, rising poverty and increased inequality.

Thirty years ago, a worker paid the minimum wage who worked 40 hours a week for 52 weeks made enough to keep a family of three out of poverty. Now that worker is 35 percent below the poverty level.

People at the bottom of the wage scale have been falling further and further behind the rest of the workforce. In the 1950s and 1960s, the minimum wage averaged about 50 percent of the average wage. Today, at \$5.15 an hour, the current minimum wage is only 31 percent of the average hourly wage. If we fail to act, minimum wage earners will continue to fall further behind.

Nearly 15 million Americans would benefit from raising the minimum wage to \$7.25 an hour. 6.6 million would benefit directly because they make less than \$7.25 an hour. Based on past experience with minimum wage hikes, another 8 million who make a little more than \$7.25 an hour should enjoy a wage increase as well.

There are those who say only teenagers benefit from an increase in the

minimum wage. However, eighty percent of the workers who would benefit from raising the minimum wage—12 million of those 15 million workers—are adults.

As Congress fails to act, States are raising the minimum wage themselves. My own State did that last January. And various studies indicate that job growth has been faster in the States that have raised the minimum wage than in those that have not raised the minimum wage. Economic studies by leading economists found that increases such as the proposed minimum wage hike would not reduce employment, which is an argument that is made against this amendment.

A hike in the minimum wage, in fact, has been found to reduce turnover of employees which has several advantages. You get a more experienced and productive workforce, lower costs for recruiting new workers, and lower costs for training new workers.

In fact, a letter in support of raising the minimum wage was signed by over 500 economists, including four Nobel laureate winners.

Last week, the House Appropriations Committee accepted an amendment offered in the committee by my able colleague, Congressman HOYER, to raise the minimum wage to \$7.25. It was accepted by the committee on a bipartisan basis. The bill had been scheduled to come to the House floor this week, but it has been pulled from consideration. News reports suggest—I hope wrongly—that the House leadership wants to avoid a debate on the minimum wage until after the November elections.

Mr. President, we should pass the Kennedy amendment to raise the minimum wage. It will lower poverty, reduce inequality, and provide vital income gains to 15 million workers and their families.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ENZI. Mr. President, I yield 5 minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. ISAKSON. Mr. President, I thank the Senator from Wyoming. I appreciate the opportunity to participate in the debate one more time. I want to make a couple of points as clearly as I can.

First of all, the debate we have heard this morning is a classic debate about two very different philosophies—one that believes in the marketplace, the competitive system we have in the United States of America of competition and entrepreneurship, and the second is the argument that says Government knows better in the top-down mandates work.

In 1970, Republicans tried wage and price controls to control inflation. They worked miserably. Democrats have tried, time and again, for wage controls, and they failed to have the intended consequences. They have because you are interjecting yourself into